

it must extend beyond the beach in front of a single property and include long stretches of ocean shoreline.

(4) Move my house away from the eroding shoreline?

A: Yes. House-moving is an allowable and cost-effective means of getting a structure out of harm's way. If space allows, a structure can be moved landward on the same lot; otherwise, it can be relocated to new property. Regardless of where the building is moved, it must meet existing setback requirements. **[NOTE:** As of 1993, new development permits for oceanfront structures **require** owners to move or dismantle buildings threatened by erosion; i.e., buildings that are less than 20 feet from the line of stable dune vegetation nearest the sea.]

[For information on site-specific erosion control projects, contact your local building official, the U.S. Army Corps of Engineers or the N.C. Division of Coastal Management.]



Q: Can I get insurance for damage resulting from erosion and flooding?

A: Possibly. You may be able to purchase a flood insurance policy which is usually separate from a standard homeowner's policy. The National Flood Insurance Program was established by Congress to make flood insurance available nationwide to eligible properties. Policies issued under the National Flood

Insurance Program include conditions and costs dictated by federal requirements. The federal government in turn guarantees to pitch in if losses occur—thus encouraging private companies to write affordable policies for areas that might normally be considered too risky. Large discounts on premiums often are available for buildings constructed above minimum standards. For example, discounts are available for buildings elevated on pilings higher than required to avoid storm-surge flooding.

There is a limit to single-family home coverage under the NFIP. Owners should inquire about these limits. If the owner wishes to purchase excess flood coverage, or if the property is not eligible for the NFIP, the owner **may** be able to procure flood insurance coverage from a private insurer. Private insurers regularly reassess whether or not to offer coverage.

Q: Is flood insurance mandatory for coastal property?

A: No law requires that an owner buy or maintain flood insurance. However, federally insured lenders, including mortgage companies, banks and savings and loan associations require flood insurance for the life of their lien if the property is in an identified flood-prone area. Failure to maintain coverage may permit the lender to declare the balance of the loan due and payable.

Flood-prone areas are identified on Flood Insurance Rate Maps, which should be available at the local building official's office. If your building is not in a flood-prone area or you haven't secured a mortgage to purchase your property, flood insurance is optional. However, when building or buying near the ocean, flood insurance is always a good idea, even if it's not required.

[For information about flood insurance and discounts, contact your local building official, insurance agent, N.C. Department of Insurance or the federal Flood Insurance Program.]



Q: What are the limitations of flood insurance?

A: Federal flood insurance covers only structural damage—including damage from waves—caused by flooding. As a rule, damage caused by chronic, long-term erosion is not covered. However, since most erosion that causes structural damage is associated with coastal storms, coverage is often available.

Furthermore, a federally-backed flood insurance policy covers only damage to the insured structure. It does **not** cover damage to land caused by flood, wave or erosion. And, it does not cover damage from other events, such as hurricane-related winds. These same limitations may apply to privately underwritten insurance.

When a structure is so badly damaged that it cannot be repaired or rebuilt, an owner may receive all benefits under the flood insurance policy and discover the coverage is inadequate to cover the cost of removing the structure and/or repaying the loan. In addition, the value of any remaining land may decline significantly if the land is declared “unbuildable.”

Q: Can I get insurance for wind damage to coastal property?

A: Many privately underwritten homeowner policies cover wind damage and water damage caused by wind; e.g. wind damage to a roof resulting in leaks. However, because of the high risk in coastal areas, some private insurance companies are excluding coverage for wind damage. For that reason, the N.C. Department of Insurance has established an insurance pool known as the “Beach Plan” to provide wind coverage in areas where it is not otherwise available.

[For more information about the Beach Plan or homeowner's policy coverage, contact your insurance agent or the N.C. Department of Insurance.]

Q: Can I rebuild or repair my structure if it is damaged by a hurricane or other coastal storm?

A: It depends upon the extent of the damage. If damage is less than 50 percent of the building's value, you may be able to repair it at its original location. But if the building is more than 50 percent damaged, repairs are considered substantial and must meet both new setback requirements and other new building code requirements. Rebuilding is prohibited if erosion has left insufficient space on the lot to construct landward of the setback.

ADDITIONAL INFORMATION:

- **N.C. Division of Coastal Management**
1638 Central Mail Center
Raleigh, NC 27699-1638
(919) 733-2293
www.dcm2.enr.state.nc.us
- **N.C. Real Estate Commission**
Legal Division
1313 Navaho Drive
P.O. Box 17100
Raleigh, NC 27619-7100
(919) 875-3700
www.ncrec.state.nc.us
- **N.C. Department of Insurance**
For general information: 1-800-546-5664
“Beach Plan” information: 1-800-662-7048
- **National Flood Insurance Program**
1-800-638-6620
- **Local Building Officials**
Call the local county tax or municipal building
- **U.S. Army Corps of Engineers/Wilmington Branch**
P.O. Box 1890
Wilmington, NC 28402-1890
(910) 251-4455

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Questions and Answers on: PURCHASING COASTAL REAL ESTATE IN NORTH CAROLINA

